



JOHN L. SCOTT, SHERIFF

**County of Los Angeles**  
**Sheriff's Department Headquarters**  
**4700 Ramona Boulevard**  
**Monterey Park, California 91754-2169**  
*A Tradition of Service*



April 01, 2014

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
Los Angeles, California 90012

Dear Supervisors:

**APPROVE AMENDMENT NUMBER FOUR TO AGREEMENT  
NUMBER 76056 WITH PENSKE TRUCK LEASING COMPANY, L.P.,  
FOR AUTOMOTIVE FLEET MANAGEMENT AND MAINTENANCE SERVICES  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

The Los Angeles County Sheriff's Department (Department) is seeking the Board's approval and execution of Amendment Number Four (Amendment) to Agreement Number 76056 (Agreement) with Penske Truck Leasing Company, L.P., (Penske), that will extend the term of the current Agreement for automotive fleet management and maintenance services (Services) for 18 months with an additional 6-month option. This extension period is required to allow for the completion of the solicitation process for a new Service Agreement.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Approve and instruct the Chairman of the Board to sign the attached Amendment to the Agreement with Penske to continue providing Services. The Amendment will (1) extend the term of the Agreement for 18 months, from May 1, 2014, through October 31, 2015, with an option thereafter to extend for up to an additional 6 months; (2) increase the annual fixed price portion of the Agreement by \$580,000 for the first 12 months and by an additional amount of \$461,400 thereafter, for the extension option if executed; (3) increase the maintenance fee for service Hourly Labor Rates; and (4) add the Los Angeles County (County) mandated language regarding Time Off for Voting.
2. Delegate authority to the Sheriff or his designee to execute the extension option if it is in the best interest of the County.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will allow the Department to continue to engage Penske to perform Services necessary to maintain the Department's fleet of approximately 6,092 vehicles, including any future additions to the fleet. The Amendment will enable the Department to continue providing around the clock service to the residents of the County by ensuring the Department's automotive fleet remains maintained and operational.

The proposed Amendment will also allow the Department to complete the solicitation process for a new Service Agreement.

## **Implementation of Strategic Plan Goals**

The Services provided under the proposed Amendment support the County's Strategic Plan, Goal 1, Operational Effectiveness, by enabling the Department to provide well maintained vehicles to its deputies, thereby enabling them to perform their duties in a reliable and secure manner.

## **FISCAL IMPACT/FINANCING**

Funding is included in the Department's Fiscal Year 2013-14 budget for the anticipated level of service. The Department will continue to allocate the funds required to continue the Services throughout the duration of the Agreement as extended by the proposed Amendment.

The negotiated increase to the annual fixed price portion of the Agreement is as follows: the first 12 months of the proposed Amendment includes (a) \$340,000 for increases to parts, tires, oil, services and supplies; and (b) \$240,000 for labor cost increases totaling \$580,000. In addition, months 13 through 18 of the 6-month option of the proposed Amendment, which includes (a) \$214,200 for increases to parts, tires, oil, services and supplies; and (b) \$247,200 for labor cost increases; an annual cost of \$461,400 above the first 12 months. In addition, a 9 percent increase to the maintenance fee for service Hourly Labor Rates as specified in the revised Exhibit C, Pricing Sheet, of the Agreement, which is estimated to be \$270,000 annually. Penske has not had an increase to the fee for service Hourly Labor Rates since May 1, 2010. Based on the above increased costs, the estimated cost for continued vehicle maintenance is \$47,841,000 for the 18 months and the 6-month option, if utilized.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On March 13, 2007, the Board approved the Agreement with Penske to provide the aforementioned Services. On July 6, 2010, Amendment Number One was approved by the Board, adding specific labor rates for Specialized Conversion Outfitting Services, to convert the Department's Mobile Data Terminal equipped vehicles to Mobile Data Computer equipped vehicles. Amendment Number One increased the contract sum by approximately \$3,011,310.

On October 2, 2012, Amendment Number Two was approved by the Board, extending the Agreement for an additional 12 months with a 6-month option and increased the fixed price portion of the Agreement by \$565,675. On August 28, 2013, Amendment Number Three was executed to extend the Agreement for its final 6-month option.

**CONTRACTING PROCESS**

A Proposition A cost analysis has been conducted, and the Agreement together with Amendment Number Four, continues to meet Proposition A cost effectiveness criteria.

Penske is in compliance with all Board, Chief Executive Office, and Living Wage Program (County Code Chapter 2.2001) requirements.

County Counsel has reviewed and approved the Amendment.

Except as expressly provided in the Amendment, all other provisions and conditions of the Agreement will remain the same and in full force and effect.

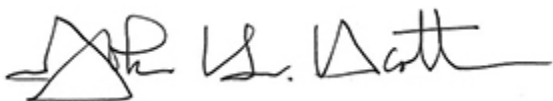
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

If the Amendment is not approved, the Department will not have vehicle maintenance Services beyond April 30, 2014. This will have an immediate and direct negative impact on the Department's ability to provide adequate services to the community.

**CONCLUSION**

Upon approval by the Board, please return two adopted copies of this Board letter and three original executed copies of the Amendment to the Department's Contracts Unit.

Sincerely,

A handwritten signature in dark ink, appearing to read "John L. Scott", with a stylized initial "JL" and a long horizontal flourish.

JOHN L. SCOTT  
Sheriff

JLS:IS:is

Enclosures

**AMENDMENT NUMBER FOUR  
TO  
AGREEMENT NUMBER 76056  
FOR AUTOMOTIVE FLEET MANAGEMENT AND MAINTENANCE SERVICES**

This Amendment Number Four to Agreement Number 76056 (hereinafter "Agreement") is entered into by and between the County of Los Angeles (hereinafter "County") and Penske Truck Leasing Co., L.P., a Limited Partnership organized under the laws of Delaware (hereinafter "Contractor"), effective upon execution by the County Board of Supervisors.

- A. WHEREAS, on March 13, 2007, County and Contractor entered into the Agreement with a Commencement Date of May 1, 2007 to provide Automotive Fleet Management and Maintenance Services for the Los Angeles County Sheriff's Department (hereinafter "Department"); and
- B. WHEREAS, on July 6, 2010, County and Contractor entered into Amendment Number One to the Agreement to require Specialized Conversion Outfitting Services and to provide specific labor rates for the Specialized Conversion Outfitting services related to the conversion of MDT equipped vehicles to MDC equipped vehicles; and
- C. WHEREAS, on October 2, 2012, County and Contractor entered into Amendment Number Two to the Agreement to extend the Agreement for an additional 12 months with a six-month option (hereinafter "Option Term"), and increase the Fixed-Price portion of the Agreement; and
- D. WHEREAS, on August 28, 2013, County and Contractor entered into Amendment Number Three to the Agreement to extend the Agreement for its final six-month option; and
- E. WHEREAS, the Agreement currently expires on April 30, 2014; and
- F. WHEREAS, County and Contractor agree to (1) extend the term of the Agreement for an additional eighteen (18) months from May 1, 2014 through and including October 31, 2015, with an additional six-month option period, in any increment, (2) increase the annual Fixed-Price portion of the Agreement, (3) increase the maintenance Fee-For-Service Hourly Labor Rates, and (4) add the County-mandated language regarding Time Off for Voting.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, County and Contractor hereby agree as follows:

**AMENDMENT NUMBER FOUR  
TO  
AGREEMENT NUMBER 76056  
FOR AUTOMOTIVE FLEET MANAGEMENT AND MAINTENANCE SERVICES**

1. Paragraph 7 (Term) is deleted in its entirety and replaced as follows to extend the Term of the Agreement through October 31, 2015 and include a six month option:
  - 7.1 The Term of the Agreement shall be from March 13, 2007 through October 31, 2015, unless sooner terminated or extended, in whole or in part, as provided herein.
  - 7.2 County shall have the sole option to extend the Term of this Agreement for an additional period not to exceed six (6) months, in any increment ("Option Term"). Any such extension shall be in the form of a written Amendment to this Agreement, executed by both Sheriff and Contractor. As used herein, the "Term" shall mean the initial term and, if extended, Option Term, as the case may be.
  - 7.3 County maintains databases that track/monitor contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether County will exercise an Option Term extension of the Agreement.
  - 7.4 Contractor shall notify the County Project Manager and County Project Director when this Agreement is within six (6) months from the expiration of the Term of this Agreement as provided for hereinabove.
2. Paragraph 59.0 (Time Off for Voting) is added to Exhibit A (Additional Terms and Conditions) of the Agreement as follows:

**59.0 TIME OFF FOR VOTING**

Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (California Elections Code Section 14000). Not less than ten (10) calendar days before every statewide election, every Contractor and subcontractor shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

**AMENDMENT NUMBER FOUR  
TO  
AGREEMENT NUMBER 76056  
FOR AUTOMOTIVE FLEET MANAGEMENT AND MAINTENANCE SERVICES**

3. Exhibit C (Pricing Sheet) of the Agreement is deleted in its entirety and replaced with the attached revised Exhibit C (Pricing Sheet), effective May 1, 2014, to (a) increase the annual Fixed-Price portion of the Agreement by \$580,000 for the first twelve (12) months of this Amendment from May 1, 2014 through and including April 30, 2015, and by an additional annual amount of \$461,400 thereafter which includes the extension option if executed, and (b) increase the maintenance Fee-For-Service Hourly Labor Rates by nine percent (9%) as stated in the revised Exhibit C (Pricing Sheet).
4. Contractor represents and warrants that the person executing this Amendment Number Four for Contractor is an authorized agent who has actual authority to bind Contractor to each and every item, condition, and obligation of the Amendment and that all requirements of Contractor have been fulfilled to provide such actual authority.
5. Except as expressly provided in this Amendment Number Four, all other provisions, terms, and conditions of the Agreement will remain the same and in full force and effect.

**AMENDMENT NUMBER FOUR  
TO  
AGREEMENT NUMBER 76056  
FOR AUTOMOTIVE FLEET MANAGEMENT AND MAINTENANCE SERVICES**

IN WITNESS WHEREOF, the County of Los Angeles, by order of its Board of Supervisors has caused this Amendment Number Four to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, and Contractor has executed this Amendment Number Four, or caused it to be duly executed by its duly authorized officer.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Chairman, Board of Supervisors

ATTEST:  
SACHI A. HAMAI  
Executive Officer  
Los Angeles County  
Board of Supervisors

By: \_\_\_\_\_  
Deputy

PENSKE TRUCK LEASING CO., L.P.

Signed: Brad L. Earle

Printed: Brad L. Earle

Title: Project Director

APPROVED AS TO FORM:  
JOHN KRATTLI  
County Counsel

By: Michele Jackson  
Michele Jackson  
Senior Deputy County Counsel



## EXHIBIT C

### PRICING SHEET

#### Amended and Restated Under Amendment Number Four

##### A. FIXED-PRICE FOR FLEET MAINTENANCE

Effective May 01, 2014, the Contractor's annual price for Fixed-Price services is **\$14,611,097** for the Adjusted Fleet size of **5,054** units, refer to Table A.2 of this section for the adjusted quantities for Groups 1, 2, and 3.

Contractor shall invoice County one-twelfth of the annual Fixed Price portion of the Agreement in arrears on a monthly basis, beginning thirty (30) days after the commencement date. This base price, per unit increases and/or decreases, and Fee-for-Service labor rates may be adjusted as described in the Agreement, Paragraph 8, Prices and Fees.

##### Effective May 1, 2014

Contractor's annual price for Fixed-Price services beginning May 01, 2014 through and including April 30, 2015, as per Amendment Number Four, of the Agreement is **\$12,753,756**. The amount of **\$12,753,756** is for the **Fixed-Price Base Fleet size of 4,216 units**, in the quantities specified below for Groups 1, 2, and 3. This will remain as the set price and set fleet size from which all Fixed-Price adjustments will be made **from May 01, 2014 through and including April 30, 2015**.

##### Effective May 1, 2015

Contractor's annual price for Fixed-Price services beginning May 01, 2015, as per Amendment Number Four, of the Agreement is **\$13,215,156**. The amount of **\$13,215,156** is for the **Fixed-Price Base Fleet size of 4,216 units**, in the quantities specified below for Groups 1, 2, and 3. This will remain as the set price and set fleet size from which all **future** Fixed-Price adjustments will be made. The Fixed-Price of **\$13,215,156** will remain in effect for the remainder of the term of the Agreement including the six-month option, if executed.

##### A.1 FIXED-PRICE BASE FLEET

FIXED-PRICE BASE FLEET SIZE	NUMBER OF UNITS
1 - Non-emergency sedans, trucks, vans, and other vehicles/equipment with a GVW rating of 10,000 lbs. or less, and all on-road trailers	2,300
2 - Emergency Patrol/Rescue Sedans, trucks, and vans with a GVW rating of 10,000 lbs. or less, and On-road motorcycles, Off-road motorcycles, and ATV's,	1,677
3 - Trucks, buses, and other vehicles/equipment with a GVW rating of 10,001 lbs. or higher	239
<b>TOTAL</b>	<b>4,216</b>



**A.2 ADJUSTED FLEET SIZE FROM TABLE A.1 – FIXED-PRICE BASE FLEET  
(EFFECTIVE 5/01/14)**

ADJUSTED FLEET SIZE	CHANGE MADE	ADJUSTED NUMBER OF UNITS
<b>Group 1</b> - Non-emergency sedans, trucks, vans, and other vehicles/equipment with a GVW rating of 10,000 lbs. or less and all on-road trailers	+329	2,629
<b>Group 2</b> - Emergency Patrol/Rescue Sedans, trucks, and vans with a GVW rating of 10,000 lbs. Or less, and On-road motorcycles, Off-road motorcycles, and ATV's	+446	2,123
<b>Group 3</b> - Trucks, buses, and other vehicles/equipment with a GVW rating of 10,001 lbs or higher	+63	302
<b>TOTAL</b>		<b>5,054</b>

**B. ADJUSTMENTS TO BASE FLEET FIXED-PRICE AMOUNT**

**B.1 CHANGE IN FLEET SIZE**

PRICE COMPONENT	PER UNIT PRICE
<b>1</b> - Non-emergency sedans, trucks, vans, and other vehicles/equipment with a GVW rating of 10,000 lbs. or less, and all on-road trailers	<b>\$1,166</b>
<b>2</b> - Emergency Patrol/Rescue Sedans, trucks, and vans with a GVW rating of 10,000 lbs. or less, and On-road motorcycles, Off-road motorcycles, and ATV's	<b>\$2,437</b>
<b>3</b> - Trucks, buses, and other vehicles/equipment with a GVW rating of 10,001 lbs. or higher	<b>\$5,299</b>

The current equipment type numbers of vehicles/equipment assigned to each group are as follows:

**Group 1:** 4, 7, 10, 13, 25, 39, 40, 43, 46, 47, 48, 49, 50, 52, 55, 58, 61, 64, 67, 70, 71, 73, 80, 91, 92, 93, 94, 95, 96, and 98

**Group 2:** 1, 2, 15, 16, 19, 20, 22, 23, 28, and 97

**Group 3:** 3, 5, 6, 29, 30, 31, 34, 37, 66, 68, 69, 72, 74, 75, 76, 79, 82, 85, 86, 87, 88 and 90

The description of each of the equipment type numbers is shown in Exhibit B, Statement of Work, Attachment 7. Additional equipment type numbers may be added during the course of this Agreement by the County Project Manager or his/her designee, as needed, and in accordance with the Price Component descriptions for Groups 1, 2, and 3 listed above.

The per unit prices for Group 1, Group 2, and Group 3 units are applicable for each vehicle or piece of equipment added to or deleted from the Fixed-Price fleet, regardless of where the unit is allocated or assigned. The adjustment amount for the increases or decreases to the Fleet Base Price, which was confirmed at Agreement signing, shall be calculated based on per unit prices and shall be added to the annual fixed price in the manner set forth below. An initial Fixed-Price fleet size adjustment from the **Base Fleet Size of 4,216 units** will be made within the first (5) business days of Agreement start, and will be effective as of the first day of the Agreement. Additionally, Fixed Price fleet size adjustments shall be made semi-annually, effective the first of the month every six (6) months thereafter. Interim Fixed-Price fleet size adjustments may be made, when requested in writing by Contractor or by County, when increases or decreases equating to \$60,000 annually occur within a semi-annual period. The interim price adjustment shall become effective for the first whole month following the date the increase/decrease is approved by the County Project Manager or his/her designee, and shall remain effective until the next adjustment is made. Changes in the CPI and/or the average salary movement granted to County employees will be applied to these Change in Fleet Size rates as specified in the Agreement, Paragraph 8, Prices and Fees.

Any vehicle or piece of equipment found, during a fleet inventory review, to be an exception to its group assignment by equipment type, i.e. incorrectly assigned, or any vehicle and/or piece of equipment/attached refrigeration units, will be assigned to the correct group at that time. The fleet size adjustment price for any unit, when removed, corrected, and/or added to the fleet, will be according to its correct group assignment, and shall become effective for the first whole month following the date the adjustment is approved. Any and all fleet size adjustments, corrections, and/or additions must be approved by the County Project Manager or his/her designee.

## **B.2 FIXED-PRICE CHANGE FOR MINIMUM STAFFING INCREASE/DECREASE**

The Contractor's price for Fixed-Price services shall be adjusted for increases or decreases in the Agreement mandated Minimum Staffing level, when required by County. This shall be accomplished through the Change Order process, as specified in Section 6.0 of the Agreement. An addition or reduction of journeyman vehicle, equipment, body/fender mechanics, or automotive painters, above or below the total minimum staffing requirement of ninety-eight (98) personnel in these job classifications, as specified in Exhibit B, Attachment 3, Repair Locations/Minimum Staffing, shall increase or decrease the Contractor's Base Price for Fixed-Price services by **\$52,988** annually per minimum staff employee. One example would be if the Department should open a new repair facility, and the County Project Manager determines that this requires an additional minimum staff mechanic, and not just the transfer of existing personnel. This would require an increase in the Contractor's Base Price for Fixed-Price services. Conversely, should the Department close a repair facility or require less minimum staff due to fewer contract cities, etc., and the

County Project Manager determines that this requires a reduction of minimum staff mechanics, this would require a decrease in the Contractor's Base Price for Fixed-Price services. Change in the CPI and/or the average salary movement granted to County employees will also be applied to this rate, in accordance with the Agreement, Paragraph 8. Prices and Fees.

### **C. FEE-FOR-SERVICE HOURLY LABOR RATES (EFFECTIVE 5/01/14)**

The following hourly labor rates shall apply to Fee-for-Service charges, in accordance with Section VV of Exhibit B, Statement of Work. Increases in the CPI or the average salary movement granted to County employees as specified in the Agreement, Paragraph 8, Prices and Fees, will be applied to these rates in accordance with the same schedule of rate increases.

<b>CATEGORY</b>	<b>HOURLY LABOR RATE</b>	<b>OVERTIME HOURLY LABOR RATE</b>
Light and Medium vehicle, trailer, and Boat Mechanical Repair, Outfitting, and Preparation for Disposal	<b>\$ 47.36</b>	<b>\$ 59.20</b>
Heavy Vehicle Mechanical Repair, Outfitting, and Preparation for Disposal	<b>\$ 51.98</b>	<b>\$ 64.97</b>
Mechanical Repair and Body Repair/Painting of Off Highway and Auxiliary Equipment	<b>\$ 51.98</b>	<b>\$ 64.97</b>
Mechanical Repair and Body Repair/Painting of On-road motorcycles, Off-road motorcycles, and ATV's	<b>\$ 48.52</b>	<b>\$ 60.65</b>
Body Repair/Painting Light and Medium vehicles and Boats	<b>\$ 48.52</b>	<b>\$ 60.65</b>
Body Repair/Painting Heavy Vehicle, Semi-Trailer and Bus	<b>\$ 51.98</b>	<b>\$ 64.97</b>
Specialized Conversion Outfitting for Light, Medium, and Heavy Vehicles, Semi-Trailers, and Buses * Specifically for converting Mobile Data Terminal equipped vehicles to Mobile Data Computer equipped vehicles and updating all associated equipment (refer to Section V V.1.p)	<b>\$ 95.00</b>	<b>\$ 95.00</b>

#### **D. FEE-FOR-SERVICE PAINT MATERIAL COSTS**

The following price per estimated paint hour rates shall apply to accident repair Fee-for Service charges, in accordance with Section V V of Exhibit B, Statement of Work. Increases in the CPI or the average salary movement granted to County employees as specified in the Agreement Paragraph 8, Prices and Fees, will be applied to these rates in accordance with the same schedule of rate increases. Inordinate changes in auto and truck paint material costs, due to environmental and/or market price mandates, may justify interim rate changes, when documented by Contractor, and approved by the County Project Manager and described in Paragraph 8 of the agreement.

<b>CATEGORY</b>	<b>COST PER ESTIMATED PAINT HOUR</b>
<b>Single Stage Paint Rate</b>	<b>\$ 25.43</b>
<b>Multiple Stage Paint Rate</b>	<b>\$ 43.94</b>